



UMHLABUYALINGANA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

MUNICIPAL MANAGER

REV. S. E. MANQELE

CHIEF FINANCIAL OFFICER

M.M. ZUNGU

MAIN ROAD

KWANGWANASE

3973

035-5920680 (T)

035- 5920672 (F)

reception@umhlaluyalingana.co.za (E-MAIL)

**UMHLABUYALINGANA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007**

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UMHLABUYALINGANA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007

GENERAL INFORMATION

Members of the Executive Committee

Mayor	Councillor D. A. Ncube
Deputy Mayor	Councillor T. Mthembu
Councillors (Exco)	TS Mkhombo
	NR Mthethwa
	MS Mabika

GRADING OF LOCAL AUTHORITY

Grade 2

AUDITORS

Auditor General

BANKERS

First National Bank of SA Limited

REGISTER OFFICES

Municipal Offices	Private Bag x 901	Telephone: (035) 5920680
	KWANGW/ANASE	Fax : (035) 5920672
	3973	

MUNICIPAL MANAGER

Rev. S.E. Mangele Bachelor of Arts

CHIEF FINANCIAL OFFICER

MM Zungu, ND Cost and Management Accounting (One subject outstanding)

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 18 were approved by the Municipal manager on the 31 August 2007.

MUNICIPAL MANAGER		CHIEF FINANCIAL OFFICER
Rev. S.E. Mangele	1	M.M. Zungu

**UMHLABUYALINGANA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007**

FOREWORD BY THE HONORABLE MAYOR

The financial statements show that the municipality has suffered a deficit of **R 11 542 899** during the current financial year, however we will endeavour during the next financial year to achieve a better cash position.

The budget for the 2007/2008 financial year has been submitted to the National Treasury for approval, however by the time of approval of financial statement the approval of budget by National treasury was not yet received. The emphasis will now remain on maintaining sound financial controls to ensure that spending is properly managed.

My thanks go the Municipal Manager and his staff and my fellow councilors for the hard work and cooperation during the year and the atmosphere in which I have been able to perform my duties.

I believe that with the dedication of everyone at council our work will go a long way to achieving needs of the communities within our Municipal boundary.

THE HONORABLE MAYOR
D A NCUBE

UNHABUYALIMGANA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007

CHIEF FINANCIAL OFFICER'S REPORT

BACKGROUND

Unhabuyalimngana Municipality is a grade two municipality within the Unkhanyelezi District Municipality. It covers four traditional authorities, namely Tsenike, Makhathini, Makhado and Mphahlele. The Municipality has been existence for five and half years and has 13 wards with 36 councillors. The Municipal area is mainly rural.

CHALLENGES

The municipality has been under extremely challenging conditions. It has to address challenges of infrastructure, Tourism, Local economic development, poverty, drought, GRAP implementation and getting other sources of revenue. The municipality has achieved some objectives such as performance management system but there is still long way to go.

1. OPERATING RESULTS

Details of operating results per department are included in appendices D and E. The applicable statistics are shown in appendix F. For overall operating results for the year ended 30 June 2007 are as follows:

	ACTUALS 2007	ACTUALS 2006	VARIANCE 2007-2006	ACTUALS 2007	VARIANCE 2007-2006
INCOME					
Opening surplus(deficit)	2,408,986	(3,011,369)			
Operating income for the year	35,720,781	44,840,623	15.54%	48,093,064	-8.28%
EXPENDITURE					
Operating expenditure for the year	41,653,608	53,534,038	28.52%	48,893,064	-9.69%
Provisional adjustments	(1,011,369)	(1,158,485)			
Closing (deficit/surplus)	34,529,787	41,832,384			

The capital expenditure on fixed assets during the year amounted to R 14 706 464 which is 28.8% more than the previous year. The actual expenditure is 5% less than budgeted for and consist of the following:

	2007 ACTUALS	2007 BUDGET	2006 ACTUALS
Land and Buildings	2,180,262	2,100,000	1,053,782
Infrastructure	11,717,540	12,200,000	340,576
Other fixed assets	808,662	1,080,000	2,927,512
	14,706,464	15,380,000	3,981,869

Resources used to finance the fixed assets were as follows:

	2007 ACTUALS	2007 BUDGET	2006 ACTUALS
Capital development fund	0	0	0
Contribution from:			
Operating account	0	0	9,301,004
Reserve	0	0	0
Grants and Subsidies	14,706,464	15,380,000	4,547,894
	14,706,464	15,380,000	13,848,898

A complete analysis of capital expenditure (budgeted and actuals) is included in appendix C.

3. FUNDS AND RESERVES

More information regarding funds and reserves are disclosed in note 2 and appendix A to the Annual Financial Statements.

4. EXTERNAL LOANS, INVESTMENTS AND CASH

The municipality's financial structure is currently grants and subsidies, no external loans have been secured. Investments and cash on hand at 30 June 2007 amounted to R548 485 R 8 118 654 in 2006)

5. EXPRESSION OF APPRECIATION

I would like to thank the mayor, councillors, management committees for the support they have given me and to the officials of the municipality and in particular to the staff of my own directorate for their assistance and support during the entire year.

MH ZUNGBI
CHIEF FINANCIAL OFFICER
31 August 2007

**UNILABUYALINGANA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007**

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared on a historical cost basis to conform to the standards laid down by the Institute of Municipal Officers in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (second Edition January 1996).

1.2 The financial statements are prepared on a historical cost basis adjusted for fixed assets as they are detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous years except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis as follows:-

- * Income is accrued when measurable and available to finance activities.
- * Expenditure is accrued in the year in which it is incurred.

2. CONSOLIDATION

The balance sheet includes general services, Capital Development Fund, Reserves and Provisions

3. FIXED ASSETS

Fixed Assets are stated at their historical cost while they are in existence and fit for use..

3.1 Depreciation

The balance shown against the heading loans redeemed and other capital assets in notes to the balance sheet is tantamount to a provision of depreciation, how ever certain structural differences exist. By way of the provision assets are written down over their estimated useful life.

Asset may be acquired through:

- * Appropriations from income where the full cost of the assets form an immediate and direct charge against operating income; therefore it is unnecessary to make any further provision for depreciation.

* Grants or donations, where the amount representing the value of such grant or donation is immediately credited to the loans redeemed and other capital receipts account.

4. FUNDS AND RESERVES

4.1 CAPITAL DEVELOPMENT FUND

The Local Authorities Ordinance requires a minimum contribution of 3% of the defined income of the municipality for the immediately preceding financial year to be contributed to this fund.

4.2 Unexpended grants received both conditional and unconditional, are transferred from income statement to reserves. The grants are released from reserves to the income statement when they have been expended.

5. INVESTMENTS

Supplies are invested at a low risk Banks. Interest earned is credited to operating income and to the Capital Development Fund.

6. INCOME RECOGNITION

The municipality relies on grants received from National, Provincial government and District Municipality for the current financial year excluding capital expenditure funded from conditional grants. Grants are credited to the income when received or legally received.

7. PROVISIONS

7.1 The provisions for staff leave encumbrance are based on actual leave owing to staff members at the financial year end.

7.2 The provision for audit fees is calculated at 3% of current and capital expenditure of the municipality for the current financial year excluding capital expenditure funded from conditional grants. Refer Local Government Audit Circular No.1 of 2000.

7.3 The provision for doubtful debt is based on the assessment made on the recoverability of the outstanding debtors at year end

UMHLABUYALINGANA LOCAL MUNICIPALITY
BALANCE SHEET AS AT 30 JUNE 2007

	Note	2006/2007 R	2005/2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		10,339,843	14,301,750
STATUTORY FUNDS	1	2,903,849	2,183,703
RESERVES	2	7,435,994	12,118,047
RETAINED DEFICIT		(11,542,899)	(3,011,369)
		<u>(1,203,056)</u>	<u>11,290,381</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	4	0	0
LONG-TERM DEBTORS	5	0	34,375
		<u>0</u>	<u>34,375</u>
NET CURRENT ASSETS		(1,203,057)	11,256,006
CURRENT ASSETS			
Investments - Short term deposits	6	4,681,099	11,715,036
DEBTORS	7	13,242	6,567,432
LONG-TERM DEBTORS: SHORT-TERM PORTION	5	4,073,954	3,539,960
CASH	3	58,660	90,796
		535,243	1,516,848
		<u>(5,894,156)</u>	<u>(459,030)</u>
CURRENT LIABILITIES			
CREDITORS	9	(5,289,699)	(263,361)
PROVISIONS	8	(594,257)	(195,669)
		<u>(1,203,056)</u>	<u>11,290,381</u>

UMHLABUYALINGANA LOCAL MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/2006 Actual Income R	2005/2006 Actual Deficit R	2005/2006 Surplus/ Deficit R		2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R
35,720,781	41,653,689	(5,932,908)	RATES AND GENERAL SERVICES	44,843,623	53,534,038	(8,690,415)
35,720,781	41,653,689	(5,932,908)	Community services	44,843,623	53,534,038	(8,690,415)
-	-	-	Subsidised services	-	-	-
-	-	-	Economic services	-	-	-
-	-	-	TRADING SERVICES	-	-	-
35,720,781	41,653,689	(5,932,908)	TOTAL	44,843,623	53,534,038	(8,690,415)
	112,552		Appropriations for the year			158,885
	(5,820,356)		Net Surplus/(Deficit) for the year			(8,690,415)
	2,808,986		Accumulated Surplus/(Deficit) beginning of the year			(3,011,369)
	<u>(3,011,369)</u>		ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			<u>(11,542,899)</u>

UMHLABUYALINGANA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006/2007 R	2005/2006 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	13	7,170,669	1,498,398
Investment Income		(32,867,721)	(26,920,547)
(Increase)/Decrease in working capital	14	(29,542)	(403,262)
Less: External interest paid		4,559,055	(2,575,197)
		0	0
Cash available from operations		(28,338,207)	(29,899,006)
Contributions from public and state		35,508,876	31,397,404
Net proceeds on sale of fixed asset		0	0
CASH UTILIZED IN INVESTING ACTIVITIES			
		(14,706,464)	(3,691,850)
Investment in Fixed assets	4	(14,706,464)	(3,691,850)
NET CASH INFLOW / (OUTFLOW)			
		(7,535,795)	(2,193,452)
CASH EFFECTS OF FINANCIAL ACTIVITIES			
(Increase) / Decrease in cash Investments	15	6,554,190	2,397,362
(Increase) / Decrease in cash	16	981,605	(203,910)
NET CASH (GENERATED)/UTILISED		7,535,795	2,193,452

UMHLABUYALINGANA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2006/2007 2005/2006
R R

1. STATUTORY FUNDS

Capital development fund

2,903,849 2,183,703

2,903,849 2,183,703

(Refer to appendix "A" for more details)

2. RESERVES

Staff bursaries reserve	20,000
Capacity Support Grant	703,260
Proclamation Grant	320,910
Geog. Ins Sys Grant	70,000
Land Use Mgmt Sys Gr	850,000
MAP Grant	323,696
Mun Fin Mgm Grant	145,000
FMG	289,400
Disaster Housing Grant	283,404
Interdepart Mon Grant	100,000
Rate Imp Grant	296,283
Munl Sys Grant	414,428
Project Consol	3,000,000
CDW	24,000
Inv. Planning	297,000
MIG	4,980,666
	7,435,994 12,118,047

(Refer to appendix "A" for more details)

3. BANK ACCOUNTS

The Municipality holds four Bank accounts with one Primary Bank account for which the details as at year end are as below:
The Cashbook balances as at 30 June 2007 are as follows

First National Bank : Current Account

535,243 1,516,848
535,243 1,516,848

First National Bank : 32 days notice
ABSA Bank : 32 days notice
Std Bank : 32 days notice
Total short term investments

1,348 69,278
- 3,192,383
11,894 3,305,072
13,242 6,566,733

4. FIXED ASSETS

Fixed asset at the beginning of the year
Capital expenditure during the year
Less asset written off, transferred or disposed
Gross carrying value of fixed assets
Less loans redeemed and other capital receipts

13,848,898 10,398,260
14,706,465 3,691,850
0 241,210
28,555,363 13,848,900
28,555,363 13,848,900

Nett Fixed Assets

0 0

UMHLABUYALINGANA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
5. LONG TERM DEBTORS		
Staff Vehicle Loans	59,660	125,171
Less short term portion of long term debtors	-58,660	-90,796
	<u>0</u>	<u>34,375</u>
6. INVESTMENTS		
Unlisted:		
Short term deposits	13,242	6,567,432
Total Investments	<u>13,242</u>	<u>6,567,432</u>
7. DEBTORS		
UMkhanyakade District Municipality	653,725	650,222
Overpayments	314,699	314,699
Study loans	0	27,973
Vat	3,836,301	2,264,803
Other	235,150	282,264
Less Provision for Bad debt	5,039,875	3,539,961
	-965,921	0
Total current debtors	<u>4,073,954</u>	<u>3,539,961</u>
8. PROVISIONS		
Leave Pay	269,273	195,669
Audit Fees	324,984	0
	<u>594,257</u>	<u>195,669</u>
9. CREDITORS		
Accrued Expenses	403,997	0
Trade creditors	4,885,902	263,361
	<u>5,289,899</u>	<u>263,361</u>
10. FINANCE TRANSACTIONS		
Total interest earned and paid:		
Interest earned	282,742	688,406
Interest paid	0	0
Net interest earned	<u>282,742</u>	<u>688,406</u>
11. COUNCILLORS, MUNICIPALITY MANAGER & SENIORS ALLOWANCES		
Mayor's allowance	200,876	60,415
Executive Committee allowance	773,381	224,732
Other Councillors allowance	2,213,766	583,026
Total councillors remuneration	<u>3,188,023</u>	<u>868,172</u>
Municipal Manager's allowance	465,245	430,782
Chief Financial Officer's allowance	418,727	387,710
Other Senior Manager's allowances	1,190,973	1,097,197
Total remuneration paid to managers	<u>2,074,945</u>	<u>1,915,690</u>

UMHLABUYALINGANA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
12. APPROPRIATIONS		
Appropriation account:		
Accumulated surplus/ (deficit) at the beginning of the year	(3,011,369)	2,808,986
Operating surplus/ (deficit) for the year	(8,690,415)	(5,932,907)
Appropriation for the year	158,885	112,552
Contribution to CDF	0	0
Prior year adjustments	158,885	112,552
Accumulated surplus/ (deficit) at the end of the year	(11,542,899)	(3,011,369)
Operating account:		
Capital expenses	14,706,465	3,681,850
Contribution to reserves	4,241,918	9,217,650
Contribution to bad debts provision	965,921	0
	19,914,304	12,909,500
13. CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	(8,690,415)	(5,932,907)
Prior year adjustments	158,885	112,552
Capital development fund	20,126,197	13,055,170
provisions	599,839	-
Reserves	577,976	145,669
Fixed assets	4,241,918	9,217,650
	14,706,464	3,691,850
	11,594,667	7,234,815
Investment Income	(29,542)	(403,262)
Transfer from reserves to operating Income	(8,923,970)	(3,161,220)
Grants and subsidies received from the public and the state	(35,508,876)	(31,397,404)
	(32,867,721)	(27,727,071)
14. (INCREASE)/ DECREASE IN WORKING CAPITAL		
(increase)/ decrease in long term debtors	34,375	86,524
(increase)/ decrease in short term portion for long term debtors	32,136	58,360
(increase)/ decrease in debtors	(533,994)	(1,881,550)
Increase/(decrease) in creditors	5,026,538	(838,531)
	4,559,055	(2,575,197)
15. (INCREASE)/DECREASE IN INVESTMENTS		
Investment at the beginning of the year	6,567,432	8,964,794
Investment at the end of the year	13,242	6,567,432
Net (increase)/ decrease in cash equivalents	6,554,190	2,397,362
16. INCREASE / (DECREASE) IN CASH		
Cash at the beginning of the year	1,516,848	1,312,938
Cash on hand	-	-
Cash at bank	1,516,848	1,312,938
Cash balance at the end of the year	535,243	1,516,848
Cash on hand	5,992	-
Cash at bank	529,251	1,516,848
	981,605	(203,910)

UMHABUYALINGANA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

2006/2007
R2005/2006
R**17. RETIREMENT BENEFITS**

Employee belong to the following funds within the Natal Joint Municipal Pension / Provident Fund which provide retirement benefits to such employees,

- (i) Natal Joint Municipal Fund (retirement)
- (ii) Natal Joint Municipal Pension Fund (superannuation)
- (iii) Natal Municipal Pension Fund (provident)
- (iv) Natal Municipal Councilors Fund

The retirement plan is subject to the Pension Fund Act 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Full actuarial valuations are performed at least every three years. The latest independent valuation of the fund s which indicated that the funds were in a sound financial position was undertaken on 31 March 2006

18. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for	2,908	2,007
Approved but not yet contracted for	15,210,000	15,360,000
This expenditure will be financed from	150,000	-
National and Provincial sources	15,360,000	15,360,000

Total Capital Commitment as per budget

15,360,000 **15,360,000**

19. AUDITORS REMUNERATION

Audit fees

326,177

281,271

20. PRIOR YEAR ADJUSTMENTS

Stale and cancelled cheques relating to prior year are reversed and the contribution to CDF charged to the appropriation account.

21. OPERATING LEASES**(a) Gestetner Finance**

This represents an operating lease for one Gestetner Digital copier, the minimum lease period is 60 months which expires on 30 November 2009 and the rental amount is R 1 900.00 excl VAT pm with 15% escalation

(b) Gestetner Finance (Rintech)

This represents an operating lease for two Gestetner Digital copier, the minimum lease period is 60 months which expires on 30 November 2010 and the rental amount is R 1 250.00 excl VAT pm per machine with 15% escalation

(c) Automated Office Technology (Pty) Ltd

This represents an operating lease for one photocopy machine, the lease agreement is for 60 months which expires on 31 March 2012 with 7.5% escalation. The rental amount is R 1 895. 00 pm.

**UMHLABUYALINGANA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007**

	2006/2007	2005/2006
	R	R

21. OPERATING LEASES. Continued

(d) Automated Office Technology (Pty) Ltd

This represents an operating lease for telephone management system, the lease period is 48 months expires on 31 March 2011 with 7.5% escalation. The rental amount is R 520,00 pm.

(e) Camen

This represents an operating lease for telephone equipments, the lease period is 48 months which expires on 31 March 2011 with 7.5% escalation. The rental amount is R 1 836,12 pm.

UMHLABUYALINGANA LOCAL MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, TRUST FUNDS, RESERVES

	Balance at 01 July 2006	Contributions during the year	Interest on Investments	Transfer to Operating Income during the year	Balance at 30 June 2007
	R	R	R	R	R
STATUTORY FUNDS					
Capital development fund	2,183,703	599,839	120,307	0	2,903,849
	2,183,703	599,839	120,307	0	2,903,849
RESERVES					
Balance at 01 July 2007					
Staff bursaries reserve	20,000		20,000		-
Capacity Support Grant	703,260		703,260		-
Proclamation Grant	320,910		190,290		130,620
Geog. Ins Sys Grant	70,000		60,245		9,755
Land Use Mgmt Sys Gr	850,000		70,390		779,610
MAP Grant	323,696		323,696		-
Mun Fin Mgm Grant	145,000		145,000		-
FMG	289,400	430,014	289,400		430,014
Disaster Housing Grant	283,404		283,404		-
Interdepart Mon Grant	100,000		100,000		-
Rate Imp Grant	296,283	100,000	-		396,283
Project Consol	3,000,000	2,000,000	1,263,955		3,736,045
CDW	24,000		24,000		-
Inv. Planning	297,000	200,000	55,237		441,763
MIG	4,980,665	1,511,904	4,980,665		1,511,904
MSIG	414,428		414,428		-
	12,118,047	4,241,918	8,923,970		7,435,994

UMHLABUYALINGANA LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 01 July 2007	Received During the year	Redeemed / write off during the year	Balance at 30 June 2007
	R		R	R
EXTERNAL LOANS				
Short Term Loan	0	0	0	0
Annuity Loans	0	0	0	0
Government Loans	0	0	0	0
	0	0	0	0
INTERNAL ADVANCES/ BORROWING SERVICES				
Public Improvement fund	0	0	0	0
Capital Development Fund	0	0	0	0
	0	0	0	0

**UMHLABUYALINGANA MUNICIPALITY
APPENDIX C: ANALYSIS OF FIXED ASSETS**

Acquisition 2006 R		Budget 2007 R	Balance at 01 July 2007 R	Acquisition 2007 R	Disposals 2007 R	Balance at 30 June 2007 R
	SERVICE GENERAL SERVICES					
1,053,762	Land and Building	1,450,000	7,729,531	2,180,361	0	9,909,892
412,844	Furniture and computer equipment	1,020,000	1,499,526	783,164	0	2,282,690
794,444	Vehicles		1,944,575	0	0	1,944,575
171,619	Plant and equipment	40,000	784,876	25,399	0	810,275
	Parks and recreations	0	187,042	0	0	187,042
340,576	Municipal roads and stormwater construction	12,850,000	340,576	11,717,540	0	12,058,116
918,606	Municipal Accommodation	0	918,606	0	0	918,606
	Miscellaneous		444,167	0	0	444,167
3,691,851	TOTAL FIXED ASSETS	15,360,000	13,848,899	14,706,464	0	28,555,363
	LOANS REDEEMED AND OTHER CAPITAL RECEIPTS					
	Contribution from current income		9,301,004	0	0	11,902,664
	Grants and Subsidies received	14,706,464	4,547,894	14,706,464	0	16,652,699
	NETT FIXED ASSET	14,706,464	13,848,898	14,706,464	0	28,555,363

UMHLABUYALINDANA LOCAL MUNICIPALITY
APPENDIX D

Analysis of Operating Income and Expenditure for the year ended 30 June 2007

Actual
2006
R

Actual
2007
R

Budgeted
2007
R

Income

31,917,404	35,588,878	47,221,804
18,832,461	22,221,851	22,221,851
150,572	0	0
100,000	0	361,000
340,000	0	0
50,000	0	0
500,000	0	500,000
100,000	0	0
250,000	500,000	500,000
50,000	250,000	0
40,000	0	0
233,158	100,000	100,000
5,478,926	6,994,823	5,795,823
414,428	734,428	834,000
2,000,000	2,000,000	2,700,000
312,000	200,000	0
24,000	0	0
1,502,859	0	0
0	2,037,560	0
0	137,000	537,000
0	193,642	0
0	150,400	0
0	0	500,000
0	0	10,000
0	0	13,182,130

Grants and Subsidies:

Equitable share Grant
DP Grant
Capacity Support Grant
PHS Grant
LUPES Grant
MVP Grant
MPPA Grant
Financial Management Grant
Public Participation Grant
Interdepartmental monitoring Grant
Rural Improvement Grant
Municipal Infrastructure Grant
Municipal Systems Improvement Grant
Project Consolidate Grant
Investment Planning Grant
Community Development Workers Grant
Microfinance Grants
Mikapas Housing Grant
Organisational Structure, HR Systems Grant
Gibbera - Madoniba Project Grant
Internal Control Unit Grant
Community Hill Donation Grant
Social Planning Grant
Reserves and savings

3,161,231

8,023,878

980,970	0	0
410,414	703,260	0
79,090	190,290	0
576,304	321,656	0
1,000,596	203,404	0
81,047	0	0
0	4,960,665	0
0	66,245	0
0	24,000	0
0	70,390	0
0	289,400	0
0	145,000	0
0	100,000	0
0	414,428	0
0	1,281,955	0
0	30,000	0
0	55,227	0

Grants Transferred from Reserves
Equitable Share Grant
Capacity Support Grant
Production Grant
Municipal Assistant Programme Grant
Disaster Housing Grant
Library Grant
Municipal Infrastructure Grant
Geographical System Grant
Community Development Workers Grant
Land Use Management Grant
Financial Management Grant
Municipal Financial Management Act Grant
Interdept Housing Grant
Municipal Systems Improvement Grant
Project Consolidate Grant
Business Reserve
Investment Planning Grant

1,162,157

410,777

263,426	0	326,800
37,273	199,025	300,000
403,262	54,126	24,000
411,411	29,542	810,000
1,432	66,593	60,000
4,194	318	0
24,758	10,203	15,000
22,400	18,525	55,660
	13,163	30,000
	333	0

Operating Income
Service charges
Interest on current account
Interest on motor vehicle loans
Interest on Investments
Sundry Income
Commission received
Sale of documents
Rental Income
Sale of tender documents
Business plans approval

34,558,625

44,842,623

44,839,064

Total Income

EXPENDITURE

6,893,106	12,004,564	13,855,532
18,889,473	19,947,746	17,137,000
2,034,413	1,959,903	1,987,825
3,691,850	14,706,464	13,380,000
0	599,839	0
	73,604	152,707
50,000	0	0
100,000	0	0
78,400	490,014	0
40,000	0	0
233,158	100,000	0
4,910,665	1,511,904	0
414,428	0	0
34,000	0	0
3,000,000	2,000,000	0
297,000	200,000	0
0	0	0
7,395	0	0
43,058,688	53,534,038	44,859,064
0	0	0
43,453,688	53,534,038	44,859,064

Salaries, wages and allowances
General expenses
Repairs and maintenance
Contribution to capital expenditure
Contribution to CDF
Contribution to leave encashment
Transfer to Reserves:
Land use management
Municipal Financial Management Act
Financial management
Interdepartmental monitoring
Rates Implementation
Municipal Infrastructure
Municipal Systems Improvement
Community Development Workers
Project Consolidate
Investment Planning
Internal Control Unit
Capital changes
Gross Expenditure

Amounts Charged Out
Net Expenditure

UMHLABUYALINGANA LOCAL MUNICIPALITY

APPENDIX 2

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

Actual Income 2006 R	Actual expenditure 2006 R	Surplus / (Deficit) 2006 R		Actual Income 2007 R	Actual expenditure 2007 R	Surplus / (Deficit) 2007 R	Budget Surplus/Deficit 2007 R
35,720,781	41,653,689	(5,932,908)	Community Services	44,843,623	53,534,038	(8,690,415)	-
-	6,356,356	(6,356,356)	Council General	0	9,842,925	(9,842,925)	9,728,872
34,558,624	18,330,529	16,228,095	Management	44,432,846	25,934,634	18,498,212	(27,838,122)
1,162,157	1,615,759	(453,602)	Finance	410,777	2,622,704	(2,211,927)	2,837,309
-	1,996,595	(1,996,595)	Corporate Services	0	1,860,191	(1,860,191)	2,129,214
-	4,529,084	(4,529,084)	Technical	0	5,779,116	(5,779,116)	3,664,838
-	415,769	(415,769)	Library	0	551,588	(551,588)	820,700
-	4,244,045	(4,244,045)	Community Services	0	3,902,838	(3,902,838)	4,545,867
-	4,165,552	(4,165,552)	Local Economic Development	0	3,040,042	(3,040,042)	4,111,322
-	-	-	Subsidised Services	-	-	-	-
-	-	-	Economic Services	-	-	-	-
-	-	-	Trading Services	-	-	-	-
35,720,781	41,653,689	(5,932,908)	Total	44,843,623	53,534,038	(8,690,415)	-
		<u>112,552</u>	Appropriations for the year (Refer to note 12)			<u>158,885</u>	
		(5,820,356)	Net (deficit) for the year			(8,531,530)	
		2,808,986	Accumulated surplus/(deficit) at the beginning of the year			(3,011,369)	
		<u>(3,011,369)</u>	Accumulated surplus at the end of the year			<u>(11,542,899)</u>	

UMHLABUYALINGANA LOCAL MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION AS AT 30 JUNE 2007

	2006/2007	Valuation date	2005/2006	Valuation date
General statistics				
Population	140,964	2,001	140,964	2,001
Registered voters	59,054	2,006	48,000	2,004
Surfacing (km)	3698m2		3698m2	
Valuations				
- Taxable (R'000)	0.00		0.00	
- Non-taxable (R'000)	0.00		0.00	
- Residential (R'000)	0.00		0.00	
- Commercial (R'000)	0.00		0.00	
Valuation date: 1 July 2000				
Assessment rate				
- Basis (per rand)	0.00		0.00	
- Discount: residential	0%		0%	
Number of employees	39		34	

The above population numbers are as per Statistics South Africa's register for the year 2001